

**With Board for approval by no-objection consent by 22 June**

## **Gavi Alliance Board Meeting**

11 May 2020

Teleconference

### **1. Chair's Report**

- 1.1 Finding a quorum of members present, the meeting commenced at 14.35 Geneva time on 11 May 2020. Dr Ngozi Okonjo-Iweala, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed participants to the meeting and invited Ambassador Tamaki Tsukada, Alternate Board member elect, Japan, to introduce himself and who expressed his appreciation at being appointed to the Board.
- 1.3 She noted that Cyrus Ardalan, IFFIm (International Finance Facility for Immunisation) Board Chair had joined the meeting for the discussion on Item 03.
- 1.4 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack).
- 1.5 It was noted that the minutes of the 19 March 2020 Board meeting had been circulated to the Board for approval by no-objection and would be approved by the end of the day if no comments were received in the meantime.
- 1.6 It was agreed to dispense with a review of the Board workplan for this meeting.
- 1.7 The Chair noted that she had convened two meetings of the All Chairs Group (ACG) on 21 April and 5 May 2020. During the first meeting, the Board Committee Chairs had provided valuable feedback from their Committees on issues of concern relating to the current pandemic and Gavi's role. During the meeting of 5 May, which had been extended to include a number of additional Board members, discussions focussed on a range of issues which are also being presented to the Board for discussion at this meeting.
- 1.8 The Chair noted that she will continue to convene meetings of the ACG, extending invitations from time to time to different Board members with the relevant expertise, to ensure that Gavi can remain on top of the COVID-19 issue.

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### **2. Update on Replenishment**

- 2.1 Seth Berkley, CEO, introduced this item (Doc 02) highlighting that as the world grapples with COVID-19 it is natural to focus on what is unprecedented and what is happening with COVID-19 and this will be discussed later in the meeting. In the

meantime, he noted that (i) vaccines are essential to protect health and wealth; (ii) everyone needs to be protected, or no-one is protected; and (iii) we move faster and further when we move together – and that is why we need an Alliance.

- 2.2 Referring to the upcoming replenishment, he noted that many of the G20 leaders are calling, among other things, for immediate resources for Gavi and that many of Gavi's donors have been stepping up since our last Board Call including an increased pledge from Saudi Arabia. He noted pledges that have been made to date, and the strong leadership of the UK which made a very significant and increased pledge on the day of the Liverpool vaccine conference in April. He also referred to a number of new pledges (a major increase from Norway, and increased pledges from Italy, Japan, Spain and Ireland, as well as Finland, who pledged for the first time) which had been made at the conference hosted by the European Commission on 4 May 2020, as well as private sector pledges from Reed Hastings and Patty Quillin and TikTok.
- 2.3 The CEO expressed his gratitude to everyone who is helping Gavi to mobilise funds, referencing the list of champions in the documentation shared with the Board in advance of the meeting. There have been numerous articles in the media, as well as social media endorsements.
- 2.4 He noted that there is still a way to go to ensure a successful replenishment on 4 June and work continues with the UK to prepare a virtual programme for the three-hour Global Vaccine Summit which will be built around three pillars, namely: (i) reaching those who need it the most; (ii) no-one is protected until all are protected; and (iii) building the foundations for the future.
- 2.5 Finally, he noted that it is hoped that it will be possible to launch an Advance Market Commitment (AMC) for COVID-19 at the summit.

### *Discussion*

- Danny Graymore, UK Board Member, confirmed the commitment of the UK government to hosting the Global Vaccine Summit on 4 June and noted the extensive work being done within the government, including within the Foreign and Commonwealth Office, to advocate for Gavi with their peers in other countries as well as with a wider network of stakeholders.
- He noted that the UK pledge of GBP 1.65 billion to Gavi indicates the country's intent to significantly support Gavi into the next period. While there will of course be a need to tackle COVID-19, where Gavi will have a critical role to play, it will be important to maintain essential health services, including routine immunisation.
- Board members noted that there had been a number of opportunities used to advocate for Gavi during the recent World Immunization Week.
- Board members noted that there is lack of clarity around some of the pledges made for Gavi at the 4 May EU conference in relation to whether or not they count against Gavi's core programmes and that work is being done to clarify this and to understand how much remains to be raised to meet the US\$ 7.4 billion replenishment ask.

- Finally, Board members commended the Secretariat for the excellent work that they are doing to support the replenishment efforts, in particular during this time of uncertainty and challenge.

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### **3. IFFIm COVID Arrangement Proposal**

- 3.1 The Chair introduced this item (Doc 03) informing Board members that Gavi has again been approached by Norway to enable the frontloading of funding for the Coalition for Epidemic Preparedness Innovations (CEPI) through IFFIm (International Finance Facility for Immunisation). The transaction, which would be larger than that facilitated during 2019, would be specifically for COVID-19 vaccines.
- 3.2 She invited David Sidwell, Unaffiliated Board Member and Chair of the Audit and Finance Committee (AFC), to comment as the proposed arrangement had been considered in detail by the AFC at its 6 May 2020 meeting.
- 3.3 Mr Sidwell confirmed that following the preparatory work done by the Secretariat, the World Bank and IFFIm, AFC members had taken a close look at the proposed assessment framework to ensure that this, and any similar future transactions, would not put Gavi and IFFIm resources at risk.
- 3.4 He confirmed that the AFC was comfortable with the proposed assessment framework and the proposed transaction, noting that any potential future transactions against the criteria set out in the framework would still have to be considered on a case by case basis to ensure that it would not adversely impact Gavi's operations. He also noted that the AFC is comfortable that the proposed transaction would not in any way affect the capacity of Gavi to use IFFIm for the purpose it was intended.
- 3.5 Marie-Ange Saraka-Yao, Managing Director, Resource Mobilisation, Private Sector Partnerships and Innovative Finance, noted that in light of encouragement from the Board to help accelerate the development of COVID-19 vaccines as well as the potential use of IFFIm to support the pandemic response, attention had been given to developing a solid set of criteria in the proposed assessment framework under which IFFIm could be leveraged to frontload related funds, while not adversely impacting Gavi.
- 3.6 Cyrus Ardalan, IFFIm Board Chair, confirmed the IFFIm Board's support for both the proposed assessment framework and the proposed transaction which could be leveraged without impacting IFFIm's ability to support disbursements to Gavi in the future.

#### *Discussion*

- Board members were generally supportive of the assessment framework and the proposed transaction.

- A number of Board members reiterated the importance of ensuring that there are safeguards in place to ensure that this and any potential future transactions do not negatively impact IFFIm's ability to support Gavi programmes.
- The IFFIm Board Chair noted that it is important for IFFIm to continue to access the capital markets and that doing more frequent transactions is indeed positive in that it ensures that IFFIm is being followed by potential investors and also enables rating agencies to see the commitment of investors and donors to IFFIm's activities. He noted that Norway's AAA rating would be seen as a positive. He confirmed that the criteria in the assessment framework have been set up to ensure that funds for the transactions similar to the one being proposed at this meeting are incremental and that they can be leveraged to a very high degree without in any way taking away from funding that IFFIm would have otherwise provided from existing donors to Gavi.
- In response to questions from a number of Board members, it was clarified that the Norway transaction would contribute to the EUR 2 billion for CEPI's COVID-19 programme within the Access to COVID-19 Tools (ACT) Accelerator.
- In relation to future potential transactions, Board members indicated that it would be useful to ensure that there is a robust oversight and decision-making process for this going forward. It was also suggested that it could be useful for the Board to do some more strategic thinking around the implications of such transactions, looking at whether the role of IFFIm might be fundamentally shifting, at the implications for the Secretariat in managing the transactions and the corresponding relationships and considering whether there might be a need for different controls and oversight.

### **Decision 1**

The Gavi Alliance Board considered offering the power of Gavi's innovative finance instruments, notably the International Finance Facility for Immunisation (IFFIm), to support the development of vaccines and:

- a) **Approved** the Assessment Framework set out in Section B.2 to Doc 03 as the basis for determining the Secretariat's response to donors' requests to execute any future transaction that would not have any material adverse impact on Gavi's finances or operations, noting that any transaction that meets all the criteria of the Assessment Framework is deemed an Eligible Transaction;
- b) **Approved** Gavi supporting the Coalition for Epidemic Preparedness Innovations (CEPI) by way of the transaction outlined in Section B.3 to Doc 03 and any other Eligible Transaction for the benefit of CEPI; and
- c) **Noted** that CEPI will be considered as a Gavi Non-Country Specific Programme consistent with IFFIm's requirements.

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#### 4. COVID-19: Gavi's immediate and interim Response

- 4.1 Seth Berkley, CEO, provided an update to the Board on the work being done in response to the COVID-19 pandemic (Doc 04), highlighting that immunisation system support is the central focus.
- 4.2 He noted that there are currently 69 Gavi-supported countries reporting cases of COVID-19, with considerable variability between countries and also within countries.
- 4.3 He outlined the impact of the pandemic on Gavi programmes, noting that there are currently 14 countries either confirmed or at risk of delaying new vaccine introductions and 26 countries confirmed or at risk of delaying campaigns. While routine immunisation services mostly continue, there is low demand due to social distancing, fear of attendance at health centres as well as challenges faced by healthcare workers and global supply shortages. There has been a surge in disease outbreaks (polio, measles, meningitis, yellow fever) since the onset of COVID-19 in Gavi-supported countries, and a number of countries are at risk of not being able to meet their co-financing commitments.
- 4.4 He noted that WHO has put out practical guidance on delivering immunisation services during the pandemic and that countries will need to rapidly identify those who have been missed, conduct localised risk assessments and develop a range of tailored delivery strategies.
- 4.5 In relation to Gavi's immediate support for countries, the CEO noted that the Secretariat has approved 35 applications for reprogramming the use of existing health systems support (HSS) for about US\$ 50 million, with approval of a further four for about US\$ 15 million expected shortly. Technical Country Assistance (TCA) has been reprogrammed in eight countries and there have been 20 low cost or no cost extensions, primarily for personal protective equipment (PPE), case management and risk communication. He noted that Gavi has put in place a pre-financing arrangement with UNICEF Supply Division (SD) of US\$ 40 million to market shape and deploy PPE, diagnostics and other medical equipment rapidly to countries that need it.
- 4.6 The CEO referred to work being done with WHO and UNICEF to conduct pulse surveys (with minimal data collection burden on countries) to monitor the global situation and understand the extent of disruption to routine immunisation due to the pandemic.
- 4.7 In relation to the Cold Chain Equipment Optimisation Platform (CCEOP), the CEO noted that Gavi has been approached to explore whether the platform might be used to help support the broader response to COVID-19, as well as to look at potentially leveraging CCEOP investments for the solarisation of health facilities. Any additional work in such areas would require mobilisation of supplementary funding.
- 4.8 The CEO noted that Gavi's principles moving forward will be to (i) protect and prioritise vaccine-preventable disease (VPD) control; (ii) focus on equity and the

most marginalised; (iii) stay flexible and focus on differentiated responses; (iv) take an integrated approach to recovery; and (v) rebuild systems that are stronger, smarter, and more resilient.

- 4.9 The CEO provided an update on Gavi's engagement in relation to COVID-19 vaccines, referencing the launch of the Access to COVID-19 Tools (ACT) Accelerator on 24 April, which aims to expedite the development and equitable distribution delivery of diagnostics, therapeutics, and vaccines, and where Gavi is co-leading the vaccine pillar with CEPI. The vaccine pillar comprises three workstreams, namely: (i) Vaccine Development and Manufacturing (led by CEPI); (ii) Vaccine Allocation and Policy (led by WHO); and (iii) Vaccine Procurement and Delivery-at-Scale (led by Gavi).
- 4.10 He noted that one key deliverable for the workstream is to create a COVID-19 Advance Market Commitment to allow scaled up manufacturing and speed up availability of vaccines by efficiently managing the supply and demand of vaccines, with supporting incentives and financing capabilities. The vision for the AMC is global access. Financing for vaccines can be focused on the donor-supported countries, with other countries paying for their own procurement and delivery.
- 4.11 Discussions in relation to how the AMC might be structured are ongoing. There may be a need for "non-specific" investments in manufacturing, manufacturing that does not support any one vaccine candidate but would support the manufacturing infrastructure for scale-up of the most promising candidates so that there would be enough for global use.
- 4.12 The CEO noted that the delivery at scale component of the workstream will be broken up into two sequential components: programme design and delivery planning.
- 4.13 In relation to governance of the vaccine pillar, he noted that there is a wish to keep the structure lean and efficient. It is foreseen that the Gavi and CEPI CEOs will lead the effort with the leads of each of the workstreams plus representation from IFPMA (International Federation of Pharmaceutical Manufacturers & Associations) and DCVMN (Developing Country Vaccine Manufacturers Network). The chairs of CEPI and Gavi will be engaged in the coordination activities and will provide a linkage back to their respective Boards.
- 4.14 The development of a COVAX Independent Product Group is planned to ensure independent external input on the down selection of candidates, surveying the field of 100+, not just CEPI's shortlist of candidates. This group will also be leveraged to provide guidance on potential investments in non-specific manufacturing opportunities.
- 4.15 Noting that all of this work is moving forward rapidly, the CEO requested the Board to consider designating any related decision making to himself and the Board Chair, noting that they would of course report back to the Board at its June meeting on progress.
- 4.16 Finally, the CEO wished to recognise the incredible perseverance of the Gavi Secretariat and referred to a pulse survey which had been conducted, the results

of which had overall been quite reassuring. There are, of course, a number of challenges and work continues within the Secretariat to ensure that as much support as possible is provided.

### *Discussion*

- The Chair noted that as she has herself been nominated as a Special Envoy for the ACT Accelerator there will be an opportunity for her to help bridge between Gavi, CEPI and WHO to ensure equity and access for developing countries for vaccines once they become available.
- She also reiterated the importance of ensuring, as discussed by the Board at its meeting in March, that the CEO has the flexibility to manage country priorities in a rapidly evolving environment during these extraordinary times. One Board Member suggested that the flexibilities should consider needs, coverage and epidemiology to ensure that there is the time-bound flexibility that is required.
- In relation to questions raised about the proposed decision to grant the CEO flexibilities of 20% in relation to budget amounts for 2020 and 2021 to respond to the pandemic, it was clarified that the request followed up on the Board's decision at its March meeting to grant flexibilities of up to 20% to enable a nimble response to a rapidly evolving situation with high uncertainty. Some Board members indicated that it would be useful to understand a bit more about the flexibilities, and also how these might also be passed on to partners receiving funding from Gavi.
- The Secretariat clarified that flexibilities were required to respond to changes that might occur in the financial forecast for 2020 and 2021. For example, projected budget for stockpiles, campaigns, and technical support to countries under the Partners' Engagement Framework may increase or reduce as assumptions underpinning the forecast change. Operationalisation of Board decisions approved in this meeting relating to freezing of co-financing levels and transitioning status in 2021 would impact the projected financing for vaccines. It was also noted that flexibilities are being extended to partners through reprogramming and no cost extensions.
- There was overall support for the proposal relating to countries' eligibility status, co-financing and the possibility for the CEO to waive 2020 co-financing obligations on a case by case basis upon request by a country. It was noted that this should be done according to a broad and transparent set of criteria. One Board member suggested that it could be useful to look more broadly at the possibility of a significant drop in the economic strength of some countries and whether or not it might be useful to address this through a stabilisation fund. Concerns were also raised in relation to small island developing states and the economic impact that the pandemic is having on them.
- Board members generally supported the work being done in relation to an AMC for COVID-19, noting that it could be useful to consider a global AMC to ensure that there is a pool of resources which are allocated in an equitable manner. It was noted that if there is a need to start fundraising for the AMC immediately after the

conclusion of Gavi's replenishment, it will be important to ensure that the Board has an opportunity to be clear on exactly how the AMC will function, who will benefit from it and how it would interact with Gavi's core work on routine immunisation.

- Board members noted that some DCVMN manufacturers are grappling with the dual roles of the development and potential large-scale manufacturing of COVID-19 vaccines and maintaining supply for routine immunisation. It will, therefore, be important for the constituency to understand more about the target profiles for the COVID-19 vaccines and the types of vaccines that are potentially going to be shortlisted to enable them to prioritise their work accordingly.
- Board members endorsed the proposal to look at whether Gavi should play a broader role in helping countries to address their full cold chain needs to respond to COVID-19 and potentially other PHC commodities.
- A number of Board members raised concerns about the health and welfare of the Secretariat and agreed that it will be important to ensure that the Secretariat has the surge support it needs during this time, as well as the appropriate resources to manage the work over the coming years.
- Finally, it was noted that a number of the issues addressed at this meeting would be further discussed by both the Programme and Policy Committee (PPC) and the Board at their May and June meetings, respectively.

## **Decision 2**

The Gavi Alliance Board:

- a) **Noted** the authority granted by the Board in March 2020 to the CEO to adjust budget amounts by up to 20% for the purposes set out in the Programme Funding Policy and **granted** the Gavi CEO the authority to adjust and/or exceed the aggregate overall Gavi forecasted amounts for 2020 and 2021 by up to 20% to respond to the COVID-19 pandemic;
- b) **Preserved** countries' eligibility status and co-financing at 2020 levels for 2021 and **granted** the CEO the authority to waive 2020 co-financing obligations on a case-by-case basis upon request by a country;
- c) **Provided guidance** on whether Gavi should play a broader role in helping countries to address their full cold chain needs to respond to COVID-19 and potentially other PHC commodities, recognising that this will require mobilisation of supplementary funding;
- d) **Provided guidance** on whether the three areas of focus for Gavi's engagement in COVID-19 vaccines are appropriate; and
- e) **Granted authority** to the CEO and the Chair of the Board to make decisions on Gavi's co-leadership of the Access to COVID-19 Tools (ACT) Accelerator vaccine pillar. The CEO with the Chair of Board will report on the progress at the June 2020 Board meeting.

## **5. Review of decisions**

- 5.1 Philip Armstrong, Director of Governance and Secretary to the Board, confirmed that the agreed decisions would be shared electronically immediately after the meeting with Board members.

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## **6. Closing remarks**

- 6.1 In Executive Session, the Board strongly endorsed a proposal from the Board Chair and the Board Vice Chair and Chair of the Governance Committee to consider exceptional extensions to the terms of Stephen Zinser, Unaffiliated Board Member and Chair of the Investment Committee, and David Sidwell, Unaffiliated Board Member and Chair of the Audit and Finance Committee, to ensure stability in Gavi's governance structures and to continue drawing on their expertise and experience in light of the current global context. It was noted that the extensions would be formalised at the June 2020 meetings of the Governance Committee and Board.
- 6.2 After determining there was no further business, the meeting was brought to a close.

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Dr Ngozi Okonjo-Iweala  
Chair of the Board

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Mr Philip Armstrong  
Secretary to the Board

## Attachment A

### Participants

#### **Board members**

- Ngozi Okonjo-Iweala, Chair
- Sarah Goulding, Vice Chair
- Omar Abdi
- Afsaneh Beschloss
- Maty Dia
- Daniel Graymore
- Asaad Hafeez (Alternate)
- Margaret (Peggy) Hamburg
- Myint Htwe
- Zsuzsanna Jakab
- Irene Koek (Alternate)
- Orin Levine
- Francesca Manno
- Marta Nunes
- Jan Paehler
- Muhammad Pate
- Harriet Pedersen
- Sai Prasad
- Helen Rees
- Teresa Ressel
- William (Bill) Roedy
- David Sidwell (Items 1-5)
- Susan Silbermann
- Arsen Torosyan
- Yibing Wu
- Stephen Zinser (Items 1-5)
- Seth Berkley (non-voting)

#### **Regrets**

- Amir Aman Hagos
- Kwaku Agyeman-Manu (Alternate)
- Ferozuddin Feroz
- Mahamoud Youssouf Khayal
- Jacqueline Lydia Mikolo (Alternate)

#### **Guest**

- Cyrus Ardalan, IFFIm Board Chair

#### **Alternates Observing**

- Edna Yolani Batres
- Megan Cain
- Mahima Datla
- Susan Elden
- Etleva Kadilli
- Noor Khan
- Violaine Mitchell
- Kate O'Brien
- Michael Kent Ranson
- William Schluter
- Bounkong Syhavong
- Joan Valadou
- An Vermeersch
- Joan Valadou
- Rafael Vilasanjuan

#### **Alternate Board Member Elect**

- Tamaki Tsukada